

INFORMATION REPORT

CONFIDENTIAL

COUNTRY

Germany (Russian Zone)

DATE DISTR.

28
25 April 1948

SUBJECT

Handling of Foreign Property in
the Russian Zone

NO. OF PAGES 3

25X1A

PLACE
ACQUIREDNO. OF ENCLS.
(LISTED BELOW)

DATE OF INFO

25X1X SUPPLEMENT TO
REPORT NO.

USSR

The Administration of the Soviet Military Administration
of Land Saxony-Anhalt

City of Halle, 30 January 1948

To the Minister for Economy and Trade
of Land Saxony-Anhalt
Mr. DiekerFor the purpose of direction and fulfillment I am sending you
a directive on the administrative order for foreign posses-
sions within the Soviet Occupation Zone.The directive is to be applied only for possessions concerning
which a special order of the Chief of SMA of Land Saxony-
Anhalt will be issued.The Representative of the Chief of the
Administration of SMA of Land Saxony-
Anhalt for Economic Questions

Colonel Modskidov

For the correctness of the translation
Dollinger

"I confirm"

Representative of the Supreme Chief of SMA in Germany
General Drahtan

17 November 1947

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Auth: NSA Memo 4 April 77

Date: 24 APR 1978 By: 0077

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Directive

on the administrative order for foreign possessions which are located within the Soviet Occupation Zone.

1. The Land governments bear the responsibility for the protection, the maintenance and operation, the prevention of robberies of the properties taken under their administration, the assets, the liveries (Besitzurkunde) and interests of foreigners, likewise for the transfer of this property in perfect condition if such is prescribed.
2. For foreign properties, or properties with over 50 percent foreign shares, the administration is handled by a trustee. The appointment and removal of trustees by the Land administrations without approval of the SMA is forbidden. For appointments and removals of trustees, the Land governments must present a petition to the SMA Land administrations.

Note: In trade and industrial enterprises, the director of the enterprise is to be considered trustee.

3. In properties with less than 51 percent foreign shares, the Land governments put the responsibility for the protection, the shares, the assets, the property rights and interests of the foreigners on the main part owners and a document on this is to be drawn up in which all assets, rights, and liveries of the foreigners for the property in question are set forth.
4. In properties which were surrendered to the Land for administration and in which there are foreign shares, the responsibility for the protection of the assets, rights, liveries, and interests rests with the director of this property; a corresponding document is to be drawn up to this effect.
5. The entire administration of foreign properties, whose assets, rights, liveries, and interests, are under the protection and control of the Soviet occupation authorities, is to be turned over by the Land government to the Ministry of Economy.

The Minister of Economy is obligated:

- a. To list the assets, rights, liveries, and interests of the foreign possession, which were surrendered to the Land government for administration, in a description of their condition on the day of the conveyance of administration.
- b. To ascertain the forms, terminal dates, and extent of reporting for persons who are directly responsible for the protection of the property, the assets, rights, liveries, and interests of the foreigners.
- c. To examine systematically the activities of the trustees through inspection and survey of the foreign property.
- d. To examine the condition of the property, the assets, the rights, the liveries, and interests of the foreigners in cases where their share of ownership is less than 50 percent.

The trustees have the right:

- a. With permission of the Minister of Economy of the Land to conclude contracts for leasing real estate, buildings, and other types of property under trusteeship, under such conditions that the contracts can be dissolved at any time when the lessee has been advised a year in advance.
- b. To handle all money matters for the properties under trusteeship.

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c. To represent it in court in questions which concern protection of the interests and rights of the property in trusteeship.

6. a. To assure rational work on property entrusted to them, according to the plans and ordinances of the Minister of Economy of the Land concerned, taking pains in this to carry on business without loss.

b. To keep the property entrusted in the same condition in which it was taken over into administration.

The essential expenses for administration and maintenance of the property in necessary order must be covered from the income of the property.

7. In properties whose shares are entirely or up to 10 percent in the hands of foreigners, the income which should be paid as the foreigners' share is to be posted to a special account under "non-distributed profit shares." The trustees are responsible for the correctness of the accounting of this profit and the prompt entry in the accounts of "non-distributed profit shares."

In properties whose foreign shares are less than 51 percent, the profits which should be distributed abroad are likewise to be considered in the account of "non-distributed profit shares." The responsibility for the correctness of the accounting and prompt entry in the accounts of "non-distributed profit shares" rests on the main owners.

The Representative of the Chief of the Finance
Administration of the Soviet Military Administration
in Germany
Sitnin

For Correctness: Oberreferent, Representative of the Chief
of the Soviet Military Administration of
Land Saxony-Anhalt for Economic Questions

Captain Lyevadni

For the correctness of the translation:
Dollinger

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